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Message Text

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15
ACTION NEA-09

INFO OCT-01 EUR-06 ISO-00 EB-05 RSC-01 DRC-01 /023 W
---------- 040842
R 160915Z MAY 74
FM AMEMBASSY ABU DHABI
TO SECSTATE WASHDC 1576
INFO AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY ISLAMABAD
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY PARIS
AMEMBASSY TEHRAN
/USDOC WASHDC
USCINCEUR
COMIDEASTFOR

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USDOC FOR MAJOR EXPORTS (MEPD)

EO 11652: NA (DECON JAN 1, 1975)
TAGS: BEXP, TC
SUBJ: BECHTEL AWARDED CONSULTANCY CONTRACT FOR ABU DHABI
MILITARY AIRPORT.

REF: ABU DHABI 0321

1. EMB HAS CONFIRMED THAT ABU DHABI EXECUTIVE COMMITTEE
DECIDED APRIL 30 TO AWARD CONSULTANCY CONTRACT FOR NEW ABU
DHABI MILITARY AIRFIELD TO BECHTEL CORPORATION. LETTER OF INTENT
BEING PASSED BECHTEL MAY 16. CONTRACT WORTH ABOUT DOLS 4 MILLION.
BIDDING FOR THIS PROJECT, AS ADDRESSEES RECALL, WAS STRICTLY
BY INVITATION AND NO OTHER TENDER ANNOUNCEMENT EVER MADE BY ABU DHABI
GOVT (ADG). DECISION AT THIS TIME CAME AS SURPRISE TO EMB AS
OUR LATEST INFO WAS MIL AIRPORT PROJECT SEEMED TO HAVE LOST
SOME OF ITS URGENCY TO CIVILIAN AIRPORT PROJECT. OTHER FACTOR
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WHICH CLOUDED PICTURE WAS EFFORT OF PARIS AIRPORT AUTHORITY

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TO SUBMIT PROPOSAL AFTER BIDDING DEADLINE HAD PASSED. NEGOTIATIONS AND DETAILS OF CONTRACT ARE BEING HANDLED BY ABU DHABI DEFENSE FORCE (ADDF).

2. WE UNDERSTAND FINAL DECISION NARROWED TO DIRECT COMPETITION BETWEEN TWO AMERICAN FIRMS, TAMS, IN JOINT VENTURE WITH DAR AL-HANDASAH (WHOSE BID ACTUALLY LOWEST), AND BECHTEL. ALTHOUGH OTAIBA FACTION IN EXEC COMMITTEE REPORTEDLY VIGOROUSLY OPPOSED AWARD, WE INFORMED BECHTEL SELECTED ON STRENGHT OF ITS FAVORABLE REPUTATION IN ME, AND AFTER SHAIKH KHALIFA BIN ZAYID, CHAIRMAN OF EXEC COMMITTEE AND COMMANDER OF ADDF, THREW HIS SUPPORT TO BECHTEL.

3. COMMENT: WINNING CONSULTANCY PHASE OF MIL AIRPORT PROJECT REPRESENTS SIGNIFICANT COMML VICTORY FOR US, AND SHOULD ENHANCE OUR COMPETITIVE CHANCES OF SECURING MAJOR SHARE OF SUBSEQUENT MULTI-MILLION DOLLAR CONSTRUCTION AND EQUIPMENT PHASES OF PROJECT. THIS SUCCESS IS EXCELLENT EXAMPLE WE BELIEVE,OF KIND OF CLOSE COMML COOPERATION NECESSARY IN THIS PART OF THE WORLD BETWEEN AMERICAN FIRMS AND USG. ALTHOUGH BECHTEL WORKED VERYHARD FOR CONTRACT, DOUBT COMPANY WOULD HAVE ACHIEVED SUCCESS WITHOUT INTERVENTION OF AMB STOLTZFUS AND EMB OFFICERS AT VARIOUS STAGES WITH KEY DECISION MAKERS OF ADG STRESSING UNEXCELLED EXPERIENCE OF AMERICAN FIRMS IN DESIGN AND CONSTRUCTION OF MIL AIR FIELD COMPLEXES. FROM BEGINNING, EMB EFFORTS PARTICULARLY DIRECTED TOWARD SHAIKH KHALIFA AND THESE EFFORTS EVIDENTLY PAID OFF IN THE END. CHOICE O BECHTEL BY ADG ALSO SUGGESTS THAT KEY DECISION MAKERS ARE SHOWING GREATER DEGREE OF MATURITY BY GIVING PROPER WEIGHT TO FACTORS SUCH AS EXPERIENCE AND QUALITY AND NOT JUST PRICE, IN AWARDING MAJOR PROJECT CONTRACTS.

4. IT UNLIKELY ADG WILL MAKE ANY PUBLIC ANNOUNCEMENT OF AWARD AT LEAST UNTIL CONTRACT FORMALLY SIGNED. IT ALSO POSSIBLE BECAUSE OF MILITARY NATURE OF PROJECT AND FACT AMERICAN FIRM SELECTED, GOVT MAY ELECT NOT PUBLICIZE AT ALL. REQUEST ADDRESSEES HOLD INFO IN CONFIDENCE UNTIL POST OR COMPANY ADVISES OTHERWISE. F CONTRACT AWARD PUBLICIZED BY GOVT, WE WILL WORK WITH BECHTEL FOR PREPARATION OF ARTICLE FOR BEIRUT COMML NEWSLETTER.
GRIFFIN

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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